

1941/1A.

NEW SOUTH WALES.

BUSINESS STATISTICS - MONTHLY DIGEST.

3rd January, 1941.

CONTENTS.

I. Business Statistics - Monthly Digest.

II. Notes on the World Wheat Situation.

World Production and Supply Position, 1940-41.

Australian and Argentine Production, 1940-41.

Northern Hemisphere prospects, 1941-42.

World prices and price factors.

Australian wheat stabilisation scheme.

Local trade and prices.



1.
NEW SOUTH WALES (AUSTRALIA).

MONTHLY DIGEST OF BUSINESS STATISTICS.

JANUARY, 1941.

GENERAL During 1940 this country's war potential increased greatly. Simultaneously with heavy army, navy, and air force enlistments, the despatch of expeditionary forces, and the training of a strong home defence force, extensive war industries have been established and developed rapidly. Public war spending, the enlarged export income and judicious use of credit resources have strengthened the general economy, and administrative control of oversea trade, foreign exchange, investment and prices has conserved resources for war purposes. Employment and earnings are greater than ever before, and though some forms of civilian activity have been curtailed, generally stable conditions of trade have prevailed.

Early in December good rains fell, relieving the drought in the more important areas of rural production in New South Wales. Recent developments include slight over-subscription in December of the £28 m. War and Works Loan, the creation of special arbitration machinery to avert industrial stoppages, continued growth of employment, a record level of small savings, highly satisfactory results of State transport services, and the passage, with compromise amendments, of the Commonwealth 1940-41 Budget.

FINANCE. The financial background remains strong. With Australian trading banks' deposits continue to increase faster than advances and in October, 1940 the ratio of advances to deposits was 81 per cent., compared with 92.6 per cent. in October, 1939. The Commonwealth War Loan closed on Dec. 14, 1940 with subscriptions totalling £28.3 million, although political uncertainty and prospective heavy increases in taxation made an unfavourable psychological background. The compromise amendments to the Commonwealth Budget affect mainly the incidence of taxation, raising the statutory exemption of £150 running out at £300 to £200 and £400 respectively, and revising the basis of war taxation of companies to reduce the burden on the smaller scale enterprises.

Statutory provision for deduction of tax of salary and wage-earners at the source (with a full year's tax payable in the remaining half of the financial year) may have an appreciable influence on spending and consumption in the next few months.

The public accounts of New South Wales show material improvement and at Nov. 30, 1940 the position was £3 million better than at the corresponding date of the preceding year, largely due to betterment in railway financial results:-

New South Wales Government:

Five Months ended November.

	1936	1937	1938	1939	1940
Revenue £ million	18.88	20.06	19.80	20.12	23.62
Expenditure £ million	20.74	22.29	23.83	25.82	26.30

INVESTMENT. Share prices on the Sydney stock exchange tended easier after material recovery from July till early November, but the market still displays strength and prior to the Christmas recess was steady with average values about the same as a month before. The bond market, too, was firm and on Commonwealth securities with five or more years maturity the average net redemption yield was £3.4s.1d. per cent., compared with £3.3s. 9d. at the lowest point of the war period (Nov. 14, 1940) and £4.1s. 3d. in September, 1939. Average rates of interest on private first mortgages show only slight month to month variations with a very gradual declining trend, and in November were between $\frac{1}{4}$ and $\frac{1}{2}$ per cent. lower than at the beginning of 1940.

		Sept., 1939	Jan., 1940	July, 1940	Oct., 1940	Nov., 1940
Sydney Stock Exchange Ordinary Share Values	Index No. Par = 100.	171	182	151	168	173
Government Securities (over 5 years)	Yield % p.a.	£4.06	£3.75	£3.36	£3.27	£3.20
First Mortgages - Rural Urban	Wtd. rate + of interest.	5.2 5.5	5.5 5.8	5.1 5.6	5.0 5.5	5.1 5.5

+ Per cent. per annum - three months ended in month shown.

~~Debtors and creditors to and from savings banks and from road rates~~
SMALL SAVINGS. The greater number of workpeople in employment and higher average earnings (a comprehensive sample shows increases from £3.74 in March, 1934 and £4.35 in Nov., 1939 to £4.47 a week in October 1940) has facilitated small savings and this has been reinforced by patriotic motives. From July to November, 1940 deposits in savings banks in N.S.W. increased by £2,999,000 and about £2,562,000 was paid for War Savings Certificates giving an accumulation at the unprecedented average rate of £1 million a month. In the same period the number of open savings accounts increased by 27,800.

Increases in savings, by months, were as follows:-

1940		July	Aug.	Sept.	Oct.	Nov.	July-Nov.
		Increase	in	£000.			
Savings Deposits		24	939	753	741	542	2,999
War Savings Certificates		1,196	455	309	342	(260?)	(2,562?)
Total		1,220	1,394	1,062	1,083	802	5,561

TRADE AND COMMERCE. Business conditions are buoyant, sustained by general confidence, a plentitude of money in circulation due to the inflow of export income, and the record and rising level of industrial activity, and unprecedented public spending. Bank clearings in Sydney were 8.6 per cent. greater in Nov., 1940 than in Nov., 1939 and the index number (1926-30 = 100) for Sept.-Nov. was 114 in 1940 compared with 102 in 1938 and 1939. Great expedition in wool appraisement and payment of advances to wheat growers contributed to the increase. In wholesale and retail trade the money value of sales has risen probably no more than sufficiently to offset the higher level of prices; in some lines (e.g. motor trade, sporting goods) business has been affected by war conditions and official control, but as a whole trading conditions remain stable. Sales of real estate have revived only slightly and in July-Nov., 1940 were £13.94 m. compared with £13.69 m. in the same period of 1939 and £12.17 m. in the first five months of this year. Administrative controls are being extended and this, with increased taxation, will divert a larger proportion of spending power to war purposes, but the industrial acceleration and the rising national income may produce contrary effects and thus the business situation may undergo changes in pattern without much impairment in general.

No particulars of State oversea trade are available for publication. Shipping space is the major problem but up to the present the external trade of the Commonwealth as a whole shows a continued high level of exports and moderation of imports, due partly to official control.

	Bank Clearings. (Sydney)		Wholesale Trade (N.S.W.)		Retail Trade		Real Estate, N.S.W.	
	Amount Jan.-Nov.	Index No. Sept.-Nov. 1926-30=100	Sales	Employees	Sales (Sydney) Index No. 1931=100	Employ- ees N.S.W. Aug.-Oct.	Sales Nov.	Sales Jan.-Nov.
			£ million	£ million	No.	No.		
1937	853	103	157.3	25,015	145	51,415	33.77	21.83
1938	854	102	159.0	25,814	152	52,340	34.62	24.64
1939	840	102	164.4	26,200	164	52,658	30.09	21.09
1940	974	114	167.6	26,028	173	53,199	28.53	15.40

EMPLOYMENT. In the middle week of November, 1940 there were 885,808 persons in employment in New South Wales. This record number was 28,947 greater than in Nov., 1939 and 3,647 more than in the preceding month. The increase was predominantly in private employment and especially marked in factories. From June to November there was an increase this year of 29,362 persons compared with increases of 1,862 and 25,306 in 1938 and 1939, respectively. Comparative particulars are:-

INCREASE (+) OR DECREASE (-) IN PERSONS IN EMPLOYMENT IN N.S.W.

	July	Aug.	Sept.	Oct.	Nov.	Five months ended November.			
	In all Employment.					Private Emp'tmt.	Public Emp'tt.	Total Emp'tmt.	In All Factories.
1938	- 889	-4050	+5899	-3058	+3960	+ 3653	-1791	+1862	+1,800
1939	+1776	-1525	+6629	+11614	+6812	+31,892	-6586	+25,306	+7,700
1940	+8666	+6914	+3700	+ 6435	+3647	+28,023	+1339	+29,362	+18,000

The increase has occurred despite enlistments in the armed forces. Accessions have been drawn from unemployed persons, children reaching working age, formerly self-employed persons, retired work-people and persons hitherto not seeking employment now offering their services to further the war effort. The expanding industrial war effort will necessitate transfer of workers from the less essential industries and official control of investment, imports and building, and increased direct and indirect taxation and public borrowing will tend to hasten the transfer. The system of reserved occupations and the dilution of skilled labour are helping to solve the problem of labour supply.

EMPLOYMENT IN NEW SOUTH WALES.

(Excluding Relief Workers and Men in the Armed Forces not on Civil Pay Sheets).

Middle week of month.	All Employment.			With Employers with 10 or more Employees						
	All Employment	Private Employment.	All Factories.	Mines	Retail Trade.	Whole-sale Trade.	Offices & Com-merce.	Shipg. & Road Trans-port.	Per-sonal. Ser-vices.	Other Indus-tries.
	000	000	000	000	000	000	000	000	000	000
Nov., 1936	773.3	638.1	209.1	18.3	48.9	23.9	26.6	18.6	26.4	20.3
" 1938	841.4	692.5	230.8	21.7	52.3	25.8	27.6	20.2	28.7	21.4
" 1939	856.9	706.5	236.7	21.0	52.7	26.2	29.1	21.2	29.4	20.7
" 1940	885.8	728.3	252.5	21.2	53.2	26.0	30.5	19.6	30.3	19.2

+ Includes professions, hospitals, amusements, hotels, etc.

With advice of the Advisory War Council, power has been conferred on the new Ministry of Labour and National Service and the Commonwealth Arbitration Court to investigate points of difference before stoppages occur and to ensure speedy hearing of such disputes as may arise. The Court may deal with disputes not extending beyond any one State (formerly beyond its jurisdiction) and Conciliation Commissioners are to be appointed to investigate disputes, convene conferences of the parties, and if the Court directs, negotiate agreements having the force of awards. Special tribunals have been set up for the coal mining industry and may be in the munitions industries. It is hoped that industrial stoppages, which have interrupted war production in some degree in recent months will be averted.

SECONDARY INDUSTRIES. Prepared by the post-depression expansion of heavy industry, war industries incorporating revolutionary aspects in manufacture for this country, have strided forward. In November, 1940 when there were 252,500 factory workers (6.7 per cent. more than in Nov., 1939) the index number of factory employment was 40 per cent. above the average for the pre-depression peak year (1928-29).

/PERSONS.....

PERSONS EMPLOYED IN FACTORIES IN N.S.W. - THOUSANDS.

	<u>Aug.</u>	<u>Nov.</u>	<u>Mar.</u>	<u>July</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>
1938 and 1939	229.0	230.8	230.8	224.6	227.4	232.6	236.7
1939 and 1940	224.7	236.7	241.3	239.9	246.2	249.6	252.5

In factories with ten or more employees there have been increases in employees of $18\frac{1}{2}$ per cent. in the industrial metals and 26 per cent. in chemicals, etc. industries in the last two years - primarily due to war production. Textiles and clothing factories have been working to capacity filling war orders and repercussions of war spending have been felt in other industries also.

EMPLOYMENT IN FACTORIES WITH TEN OR MORE EMPLOYEES.

Middle week of	Cement, Bricks Glass etc.	Chemi- cals, etc.	In- dus- trial metals	Textiles and Cloth- ing.	Food and Drink	Wood- work- ing etc.	Paper and Printing	Rubber
	Number of Persons Employed -							Thousands.
Nov., 1938	11.98	6.95	62.82	38.40	28.34	10.68	14.96	3.80
" 1939	11.90	8.10	65.10	39.31	29.71	10.19	15.13	3.80
Oct., 1940	12.40	8.56	73.26	41.43	30.04	9.99	14.44 ^ø	3.59 ⁺
Nov., "	12.65	8.78	74.44	41.72	30.46	9.95	14.36	3.64
Incr. - Nov., 1939 to 1940	6.3%	8.4%	14.3%	6.1%	2.5%	-2.4%	-5.1%	-4.2%

^ø Decrease mainly due to discontinuance of a city daily newspaper.

⁺ Affected by petrol rationing and drop in new motor vehicle sales.

In 42 large factories employment, the weekly payroll and the value of products sold in October, 1940 exceeded those of any earlier month and were 6.8, 12.3 and 16.0 per cent. respectively greater than in Oct., 1939. Forward buying anticipating the increased sales tax was a factor in the increase in sales. Increased industrial demand was the major factor in lifting the consumption of gas and electricity in Nov., 1940 to a record level. The work of linking electrical power resources in Sydney and the Port Kembla industrial areas has been commenced and will be completed in 1941. The basic iron and steel industries at Port Kembla and Newcastle are working to capacity. Work in collieries has been affected by industrial disputes which, however, were speedily settled, and more coal is being raised than ever before. The number of men employed in collieries in N.S.W. was 17,400 in Nov., 1940 compared with 16,300 in Nov., 1939 and 14,100 in Nov., 1937.

<u>42 Large Factories</u>		<u>1937</u>	<u>1938</u>	<u>1939</u>	<u>1940</u>
Sales £ million	Jan.-Oct.	30.08	31.23	31.17	35.04
	Oct.	3.15	3.00	3.42	3.97

<u>Gas and Electricity</u>	Index No.	1929-31=100.
		1929-31=100.

<u>Consumption (Sydney)</u>	<u>Nov.</u>	124	124	136	139

TRANSPORT. The State railways and tram and omnibus services in Sydney and Newcastle are operating more profitably than ever before due to the effect upon traffic of war activities and industrial expansion. The cost (£500,000) of additional railway facilities for defence purposes (now under construction) is being met by the Commonwealth Government. The number of registered motor cars decreased by 11,815 from August, 1939 to September, 1940 and increased (seasonally) by 1,010 in October and November, with corresponding movements of 3,062 and 794 in the number of lorries and vans on the register. Though the weekly average of 250 new motor vehicles sold in November was the highest since May, it was less than one half the weekly average in Nov., 1939. But the efficiency of road transport appears unimpaired. Petrol rationing is working smoothly and has not

borne with undue severity upon essential services.

On Dec. 5, 1940 control of all Australian coastal shipping was assumed under the National Security Act. Coastal shipping, however, has not been requisitioned (other than that already taken over for naval service) and priorities in transportation of essential commodities has been arranged in conference with ship owners.

	Railways (N.S.W.)			Trams and Buses (Sydney & Newcastle)			Motor Vehicles (a) (N. S. W.)		
	Passen-	Goods	Working	Passen-	Working	New	On Register.		
	gers.	Ton	Surplus	gers.	Surplus	Motor	Cars.	Lorries & Vans.	
	July-October.			July-October			Nov.	At 30th Nov.	
	millions	millions	£000	millions	£000	No. per week.	000	000	
1937	62.0	593	2072	117	219	729	196	75	
1938	64.0	566	1451	121	168	630	210	76	
1939	59.7	634	2159	122	193	537	216	78	
1940	62.6	880	3192	129	250	250	206	75	

(a) Excluding cycles. (b) Excess of earnings over working expenses excluding interest, etc., charges.

BUILDING. The value of private building permits granted in Sydney and suburbs in November, 1940 (£1.28 m.) was the greatest in any war month. This was probably due to proposals advanced to forestall the necessity of official approval for buildings of a value of over £5,000 required after Dec. 5, 1940. From July to October, 1940 permits showed a declining trend. Features of private building activity in recent months were the maintenance of house-building at a high level, some recovery in flat building, continued provision of new factory premises (in Nov. 1940 the amount for factories - £218,000- was perhaps a record), and a significant decrease in shops and office buildings - the latter associated with a marked decrease in building activity in the city area.

There has been considerable building on Government account. In November (and the three months ended November) contracts in the metropolis for these were £39,000 (£181,000) in 1939 and £111,000 (£235,000) in 1940.

VALUE OF PRIVATE BUILDING PERMITS GRANTED - SYDNEY AND SUBURBS.

Period.	Houses		Flats (a).	Hotels, Guest Houses	Shops (b)	Factor- ies (c)	Other Build- ings.	Total
	Brick &c.	Wood Fibro						
	£000	£000	£000	£000	£000	£000	£000	£000
November, 1938	402	89	146	312	64	111	201	1,325
" 1939	344	54	176	30	21	76	63	797
" 1940	446	58	228	61	76	218	197	1,284
Jan.-Nov. 1938	4,575	851	3,146	825	555	917	2,237	13,106
" 1939	4,223	880	2,686	449	492	1,265	1,623	11,618
" 1940	4,373	840	2,014	595	353	1,018	1,071	10,264
Movement: 11 mths, 1939 to 1940.	+3.6%	-4.5%	-25.0%	+32.5%	-28.3%	-19.5%	-34.0%	-11.7%

Including (a) conversions to flats, (b) shops with dwellings and (c) public garages.

/RURAL.....

RURAL INDUSTRIES. Rainfall averaging from one to five inches fell in the first week in December, relieving drought conditions practically throughout the north-eastern half of New South Wales. This was too late to benefit wheat crops (many of which were then being harvested) but as it followed upon earlier falls along the coastal belt, the effect was to assure good summer pastures in all the main dairying districts, and elsewhere to initiate renewed pasture growth in principal sheep districts. A heavy exportable surplus of dairy products will probably soon be produced.

The wheat harvest (about 28 million bushels) is the smallest since 1927-28. Wheat growers have now been paid the equivalent of about 2s. 8d. a bushel at country sidings for bulk wheat of the 1939-40 harvest (in N.S.W.) of $76\frac{1}{2}$ million bushels, and an initial advance of 2s. $10\frac{1}{2}$ d. (bulk) and 3s. (bagged) a bushel f.o.r. Sydney (roughly 2s. 3d. at country sidings) for new crop wheat. The registration of wheat farms under the stabilisation scheme (see Decr. digest) is proceeding.

Potato production will be much lighter than usual, due to the dry conditions of the growing period. Prospects for maize and other feeding-stuff crops and for fruit production have improved greatly as a result of recent rainfall. The cut of sugar cane, though smaller in Queensland (the main Australian producing State) may be a record in New South Wales, and rice on the Murrumbidgee Irrigation Area is developing satisfactorily. The Australian Agricultural Council is to have a special meeting at the end of January to consider a national food plan, fodder conservation and an increase in facilities for refrigeration storage - matters of particular concern in view of the increasingly difficult shipping position.

THE WORLD WHEAT SITUATION.

Revised estimates add nearly 100 m. bus. to forecasted world harvest of 1940-41, presaging an exportable carry-over of about 1,150 m.b. on July 31, 1941. Australian production may be 91½ m.b.

New crop prospects are good in N. America and uncertain in Europe. World wheat shipments are little more than a third of pre-war average. Wheat prices are maintained oversea.

Farm registration under the Aust. stabilisation scheme, and payment of the first advance on 1940-41 wheat are proceeding. Export flour sales enlivened the local market in Dec. and prices are steady.

WORLD
PRODUCTION,
1940-41.

Tentative figures of world wheat production in 1940-41 given in this review in December, 1940 require some upward revision as the estimate for Argentina has been raised from about 240 million bushels to 294 m. bus. and the final estimate for the United States issued last month was 33 m. bus. above earlier forecasts. The total for world production (still tentative) thus becomes about 4,079 m.bus., assuming no change in approximations and estimates for other countries.

WORLD PRODUCTION OF WHEAT.
(Excluding China, Russia, Iran and Iraq.)

	<u>Av. 1929-30 to 1933-34.</u>	<u>Av. 1934-35 to 1938-39.</u>	<u>1938-39.</u>	<u>1939-40.</u>	<u>1940-41. (Tentative)</u>
Mill.bus.	3,800	3,774	4,605	4,270	4,079

SUPPLY
POSITION

Although in comparison with recent years the harvest of 1940-41 was a moderate one, its disposition (with many importing countries unable, owing to the blockade, to offset poor crops by imports, and bountiful production in Canada, the United States and Argentina) implies a further deterioration in the already very weak world statistical position. The four great wheat exporting countries may have an exportable surplus in the current wheat year of about 1,500 m. bus. (inclusive of about 250 m.bus. comprising the "ever-normal-granary" reserve in the United States). This compares with 1,250 m. bus. in 1939-40, 1,110 m. bus. in 1938-39 and 680 m. bus. in 1937-38.

The position in the current wheat year is somewhat as under:-

WHEAT - EXPORTABLE SURPLUS IN PRINCIPAL EXPORTING COUNTRIES 1940-41.

	<u>Australia.</u>	<u>Argentina.</u>	<u>Canada.</u>	<u>U.S.A.</u>
Millions of bushels.				
Old Season's stocks	106	60	273	284 ♂
Current production	92	294	547	817
Total Supply	198	354	820	1,101
Domestic Requirements	55	105	120	693
Exportable Surplus	143	249	700	408 ♂

♂ Inclusive of about 250 m. bus. required for the "ever-normal-granary" reserve.

World exports of wheat (and flour) in the year ended July, 1940 are believed to have exceeded 600 m. bus. compared with an average of about 575 m. bus. in the five years ended July, 1939. Under present circumstances Broomhall thinks the international movement of wheat in 1940-41 will not be more than 440 m. bus. Thus without Russia, Danubian countries, North Africa and other minor exporting countries there is available at least 1,250 m. bus. to satisfy a demand of 440 m. bus.

World end-of-season exportable stocks have increased rapidly and on revised estimates seem likely to be about 1,150 m.bus. on July 31, 1941.

WORLD END-OF-SEASON EXPORTABLE STOCKS OF WHEAT.
(Excluding reserve stocks in importing countries.)

At July 31:-	<u>1938.</u>	<u>1939.</u>	<u>1940.</u>	<u>1941.</u>
Million bushels	192	520	790	(1,150?)

AUSTRALIAN PRODUCTION. The Commonwealth Statistician's estimate of wheat production in 1940-41 indicates an Australian harvest of $91\frac{1}{2}$ m. bus. which is 86 m. bus. (or 48.5 per cent.) below the annual average for the ten seasons ended 1939-40. In New South Wales the estimate of 28 m. bus. compares with $76\frac{1}{2}$ m. bus. in 1939-40 and an average of 60 m. bus. in 1931-40. Other comparisons are:-

PRODUCTION OF WHEAT IN AUSTRALIA. (Million bushels)

	N.S.W.	Vic.	Qld.	S.A.	W.A.	Tas.	A.C.T.	Australia.
Av. 1931-40	60.1	40.4	4.4	36.5	36.0	.3	.04	177.7
1938-39	59.9	18.1	8.6	31.7	36.8	.2	.06	155.4
1939-40	76.5	45.1	6.6	41.1	40.8	.08	.05	210.2
1940-41 ♂	28.0	13.0	5.0	18.0	19.9	.2	.02	91.5

♂ Estimates by State Authorities. The total shown is the Commonwealth Statistician's forecast.

ARGENTINA. The first official estimate for Argentina of 294 m. bus. came as a surprise, showing an increase of about 40-50 m. bus. on recent private forecasts, especially as official estimates in recent years have understated actual production. If the estimate is realised Argentina will have a large crop, as the appended comparisons indicate:-

WHEAT PRODUCTION IN ARGENTINA.

	<u>Av. 1930-34.</u>	<u>Av. 1935-39.</u>	<u>1938-39.</u>	<u>1939-40.</u>	<u>1940-41.</u>
Million bushels.	228.3	230.5	336.2	119.4	(294?)

PROSPECTS 1941-42. Favourable conditions continue in the United States and the area sown with winter wheat is reported at 46.3 million acres, representing an increase of 5.6 per cent. on the previous year's acreage. India experienced dry weather and prospects in that country appear barely average. European crops which began well, have had too much rain while in the Balkans late sowings may be damaged by severe frosts and inadequate snow cover. But all Northern Hemisphere crops have several months to pass through to harvest, and no useful prediction as to production can yet be made.

WORLD TRADE. According to trade reports world shipments of wheat averaged about $5\frac{1}{4}$ million bushels during the past five weeks, showing a slight further decline, and comparing with an average of about 12 m. bus. in recent pre-war years. Some Russian wheat (2 or 3 m. bus. reported) has been marketed. Australian wheat shipments still lag, but some flour has been sold for export to the Far East.

PRICES. Chicago wheat options fluctuated within a range of about 4 cents during December, but at the end of the month at 87 cents a bushel (May options) were about the same as at the beginning of the month. The firmness of this market is due to offerings barely satisfying current local demand owing to the large quantity of wheat "frozen" under the loan programme. The United States authorities are apparently not desirous of pushing export sales of wheat in prevailing circumstances; the subsidy on exports to the East (other than the Philippines) has been withdrawn (presumably, in part, as an econo-political move against Japan) and a loan of \$25 m. to assist Argentina in financing payments for the wheat and other agricultural crops is reported to have been arranged.

In Winnipeg May futures reached $78\frac{3}{4}$ cents a bushel on Dec. 11 (highest since May, 1940) and were quoted at $77\frac{1}{4}$ cents a bus. on Dec. 28, 1940 - somewhat above the minimum peg. To deal with the storage problem Canadian growers are being paid for storage on the farm at a rate equal to one-fortyfifth of a cent a day. New temporary storage space is being pushed ahead at ports, lakehead and country receiving points.

Prices on the London Baltic Exchange have changed but little. They reflect, in the main, values as determined by Ministry of Food purchases. There is a noteworthy disparity in prices of Argentine (20s. $1\frac{1}{2}$ d. a quarter) and Australian (28s. a quarter) new crop wheat. It is not disclosed as to whether any new crop Australian wheat has been disposed of to the United Kingdom. Canadian (Manitoba No. 1 ex St. Johns) is quoted at 33s. $1\frac{1}{2}$ d. a quarter. End-of-month prices in London have moved as under:-

	<u>Nov.</u> <u>1939.</u>	<u>Jan.,</u> <u>1940.</u>	<u>Sept.,</u> <u>1940.</u>	<u>Oct.</u> <u>1940.</u>	<u>Nov.,</u> <u>1940.</u>	<u>Dec.,</u> <u>1940.</u>
Western Australian	Per qr. (8 bus.)	20/-	26/-	26/9	25/6	25/6
Manitoba No. 1	" "	27/-	29/3	32/9	32/9	33/3
Rosafe (Argentine)	" "	20/9	25/4 $\frac{1}{2}$	20/6	19/-	19/6

(a) New crop wheat, Jan.-Feb. delivery.

LOCAL SITUATION. Registration of wheat farms under the Australian Wheat Industry Stabilisation Regulations is proceeding. A "wheat farm" is defined as one on which at any time between Oct. 1, 1938 and April 1, 1941 wheat had been harvested for grain, but excludes lands taken out of or planned to be taken out of wheat production under State schemes to eliminate wheat growing in unsuitable districts or on unsuitable land. All wheat farms must be registered and application forms are required to be in the hands of country agents of the Wheat Board by Jan. 25, 1941.

Under the stabilisation scheme the area to be sown with wheat will be restricted with the object of achieving a marketable production of 140 million bushels. Adding to this about 20 m. bus. required for seed and use on farms this permits a total harvest of about 160 m. bus. Production in recent seasons was:-

Annual average harvest 1930-31/1939-40	177 m. bus. \emptyset
" " " 1931-32/1940-41	165 m. bus.

\emptyset Includes record harvest (1930-31; 214 m. bus.) and excludes poor harvest of 1940-41.

On these averages the proposed degree of restriction in wheat production is about 10 per cent. and $3\frac{1}{2}$ per cent., respectively, and does not, therefore, presage a major disturbance of farm economy.

No recent statement of the disposal and shipping position of wheat has been made by the Wheat Board. Local trade brightened somewhat in December, 1940 on account of buying of wheat for gristing to fill flour export orders. Much wheat of the new harvest has been delivered to country silos and trucking stations, and the Board is accepting inferior wheat - down to 5 $\frac{1}{4}$ lb. a bushel, chondrometer weight - subject to a dockage of 3d. a bus.

Payment of the third (and final?) advance of 3d. a bus. on Nos. 2 and 3 Pools (1939-40) wheat has been completed, and the Board began paying the first advance (3s. bagged, 2s. $10\frac{1}{2}$ d. bulk wheat less freight) on No. 4 Pool (1940-41 harvest) on Dec. 18, 1940. This will return about 2s.3d. to growers at country sidings.

The price of new season's wheat was reduced on Dec. 9, 1940 to the same as old crop wheat, and an increase of 2d. a bus. in the prices of wheat for flour for export to Burma, Malaya, Asiatic Territories to Hong Kong, the East Indies and Mauritius was made. It is expected that for some months at least the bulk of trade will be in 1939-40 wheat. The Board's prices for wheat for flour for local consumption and small export orders (except Eastern, 2d. higher) per bushel,

f.orr. Sydney are 3s.11 $\frac{1}{4}$ d. for bulk wheat and 4s.0 $\frac{3}{4}$ d. for bagged wheat. The local price of flour was unchanged during December, 1940 at £12.13s. a ton. The average price of wheat in Sydney in December, 1940 was 15 per cent. higher than in Dec., 1939 and 57 $\frac{1}{2}$ per cent. higher than in Dec., 1938. Price comparisons are as under:-

PRICES OF BULK WHEAT - SYDNEY.

Monthly Averages - Per bushel, ex trucks, Sydney. ϕ

Excluding bounty and including storage charges when payable.

Season ended November.	Average for Season.	Dec.	Aug.	Sept.	Oct.	Nov.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
1934	2 9	2 7	3 3	3 0	2 8	2 6
1937	5 3	5 4	5 3 $\frac{1}{2}$	5 3	5 3 $\frac{1}{2}$	4 7
1938	4 0	4 6	3 2 $\frac{1}{2}$	2 10 $\frac{1}{2}$	2 9 $\frac{1}{2}$	2 7
1939	2 5	2 6	2 3	2 9	2 8	2 9 $\frac{1}{2}$
1940	(3 4)	3 5	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$
1941	...	3 11 $\frac{1}{4}$

ϕ Shippers offers, ex trucks, Sydney; Australian Wheat Board's price for wheat for local flour and small export orders from December, 1939.

